

ESSB 6444 - H AMD TO H AMD (H-5483.2/10) 1320

By Representative Armstrong

NOT ADOPTED 3/05/2010

1 On page 239, beginning on line 22, strike all of section 707 and  
2 insert the following:

3  
4 "NEW SECTION. Sec. 707. A new section is added to 2009 c 564  
5 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--ONE AND THREE QUARTERS**  
7 **PERCENT ACROSS THE BOARD SALARY REDUCTION.**

8 General Fund--State Appropriation (FY 2010) ..... (\$3,742,000)

9 General Fund--State Appropriation (FY 2011) ..... (\$44,906,000)

10 Special Account Salary/Insurance Increase Account--State Revolving  
11 Account Appropriation ..... (\$51,975,000)

12 TOTAL APPROPRIATION ..... (\$100,623,000)

13 (1) Beginning June 1, 2010, and until the June 30, 2011, the  
14 salaries or wages paid to all employees of all state agencies and  
15 institutions of higher education are reduced by one and three quarters  
16 percent. In conjunction with this one and three quarters percent  
17 reduction in pay, no state employee shall be required to take  
18 mandatory days of leave without pay between June 1, 2010 and June 30,  
19 2011.

20 (2) It is the intent of the Legislature that state elected  
21 officials whose salaries are set by the salary commission offer a  
22 similar reduction to his or her salaries as called for in subsection  
23 (1) of this section, and are thereby strongly encouraged to make a  
24 similar one and three quarters percent of salary donation to a worthy  
25 charitable cause.

26 (3) The appropriations for state agencies, including institutions  
27 of higher education, are subject to the following conditions and

1 limitations: Appropriations are adjusted to reflect changes to agency  
2 appropriations to reflect savings resulting from reducing salaries and  
3 wages, and to facilitate the transfer of moneys from dedicated funds  
4 and accounts the state treasurer is directed to transfer sufficient  
5 moneys from each dedicated fund or account to the special account  
6 retirement contribution increase revolving account in accordance with  
7 schedules provided by the office of financial management.

8 (4) It is the intent of the legislature that the reduction of  
9 employee salaries and wages made pursuant to this section be  
10 considered as integral to agency spending reduction efforts.  
11 Consistent with chapter 430, laws of 2009 (Senate Bill 6157 -  
12 calculating compensation for pension purposes), and sections 5 through  
13 8 of Substitute Senate Bill 6503, as amended by the house committee on  
14 ways and means, the calculation of final salaries for employee  
15 pensions shall not be adversely affected by the across-the-board  
16 salary reduction required by this section."

17

**EFFECT:** Deletes the section reducing appropriations related to  
SSB 6503 (temporary layoffs), and reduces the salaries of all  
state agency and higher education employees by 1.75 percent  
beginning June 1, 2010 and ending June 30, 2011. No state  
employees taking a salary reduction under the section shall take  
mandatory leave without pay during the salary reduction period.  
State elected officials whose salaries are set by the salary  
commission are encouraged to donate a similar 1.75 percent of pay  
to a worthy charitable cause. Directs the Office of Financial  
Management (OFM) and the State Treasurer to manage the transfer of  
dedicated funds and accounts to affect the reduced appropriations  
from individual agency budgets according to schedules developed by  
OFM.

Consistent with chapter 430, laws of 2009 (Senate Bill 6157 -  
calculating compensation for pension purposes), and sections 5  
through 8 of Substitute Senate Bill 6503, final salary  
calculations for employee pensions are not reduced by the 1.75  
percent salary reduction.

**FISCAL IMPACT:**

Reduces General Fund-State by \$434,000.  
Increases Other Funds by \$40,066,000.

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